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STARS MANUAL

CODING AND PRE-PROCESS REVIEW: IDAHO CODE, STARS DATA ELEMENTS, BATCHING INVOICES

INTRODUCTION

Each agency is responsible for accurate expenditure subobject and transaction code entry and review for statewide policy compliance. Each agency is also responsible for filing and retaining source documentation (information regarding each individual transaction). Agencies must also review batches for correct coding, data entry, and meeting policy guidelines. Most agencies perform their own pre-process and use Management Control System (MCS) reviews to help establish the proper control environment.

While the MCS establishes the overall control environment, this document will provide guidance on the types of coding and pre-process procedures (pre-process review) to perform.

CODING AND PRE-PROCESS REVIEW - WHAT IS IT

IDAHO CODE, REGULATIONS, AND POLICIES

There are a number of Idaho Code statutes, regulations, and policies that must be followed regarding expenditures. Links to [Idaho Code](#) online are provided in the coding and pre-process review sections to ensure that the most up-to-date information is available.

DUTIES OF CODING, PRE-PROCESS REVIEW, AND RELEASE PERSONNEL

STARS coding identifies the type of transaction you are processing, where it should be accounted for within your agency structure, and what type of accounting postings it should generate. However, before entering the basic coding required to pay a bill, you should be aware of any relevant laws and agency responsibilities. The coding, pre-process review, and final release review personnel are all responsible to know and apply these Idaho Code sections, Regulations, and Policies for expenditures.

There are four basic functions to perform on STARS data before processing:

1. **Coding:** The coding process includes:

- Obtaining invoices.
- Reviewing invoices for compliance to statewide regulations.
- Coding authorized invoices with STARS transaction codes and data elements.
- Creating a batch for data entry.
- Signing batch header showing completion of coding.

Data Entry: Once the invoices are pre-processed, coded, and batched, you need to have the batch data entered. STARS will have some automatic data entry online controls. See the [Getting Started](#) document for information on data entering batches.

Pre-Process Review Verification: Once the batch is data entered, you will need to recall the batch for pre-process review. See the Function 53 section of the [Getting Started](#) document for information on recalling a batch for review. The pre-process verification includes:

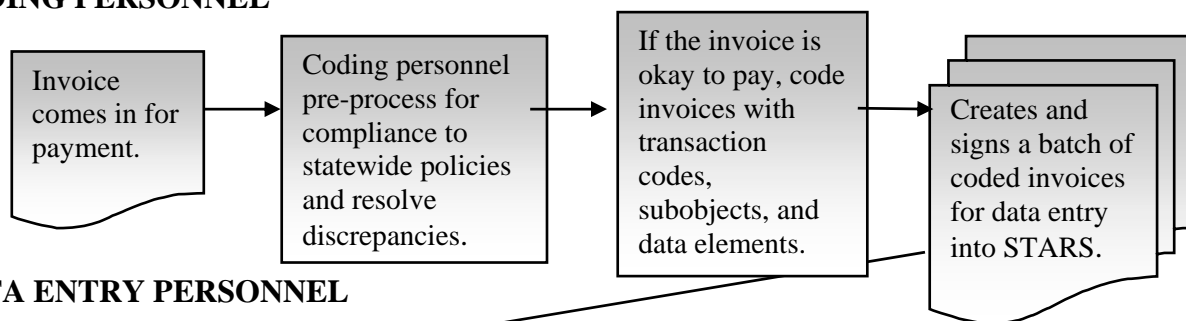
- Review of the batch for correct coding (a review of coding done by your agency coding personnel, including the correct transaction code, subobject, Index or PCA, etc.).
- Review of the online data entry screens for accuracy and completeness.
- Review of compliance to statewide regulations, etc. before release.
- Signing and releasing the batch showing completion of pre-process review.

2. **Final Approval Verification and Release:** Once the batch has gone through the pre-process review, you will need to recall the batch for final approval review and batch release. See the Function 53 section of the [Getting Started](#) document for information on recalling a batch for review and release. The final release verification and approval includes:

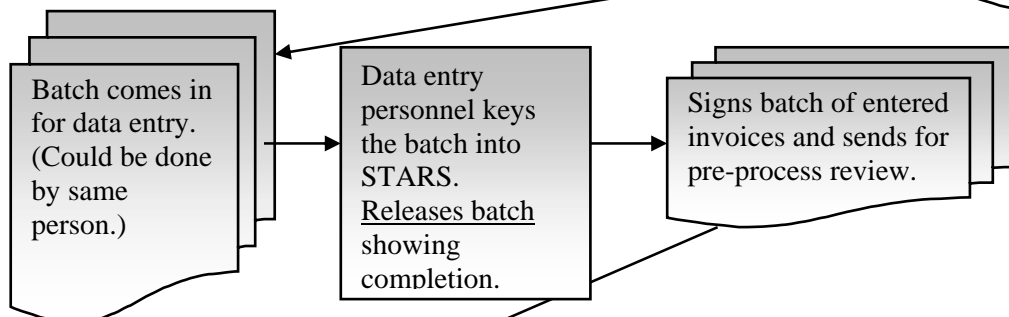
- Review and approve each invoice for allowability of costs.
- Review and approve that costs are due and payable.
- Review and approve costs are state allowable expenses in compliance with statewide policies. May do a cursory review of coding.
- Sign and approve the batch header and/or individual invoices.
- Show online approval by releasing the batch.

One employee can do multiple functions (e.g., the coding and data entry) as long as you retain the necessary internal controls. See the following flowchart.

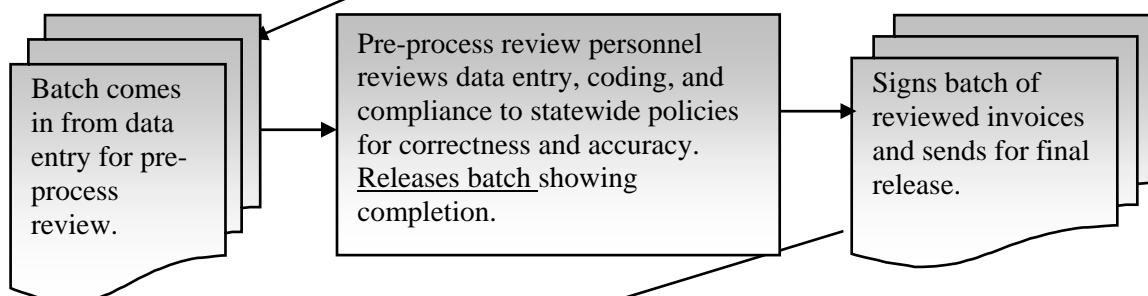
CODING PERSONNEL



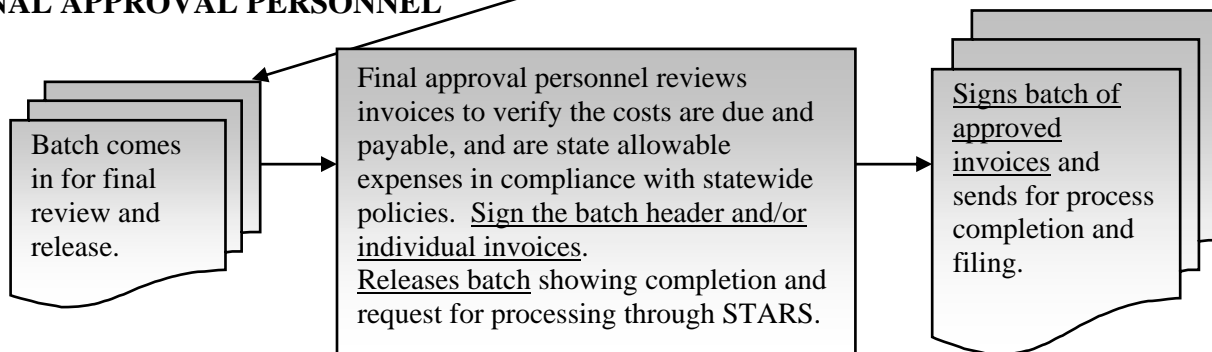
DATA ENTRY PERSONNEL



PRE-PROCESS REVIEW PERSONNEL



FINAL APPROVAL PERSONNEL



RESPONSIBILITY OF AGENCIES IN ASSISTING THE STATE CONTROLLER

Since your agency receives the invoices from your vendors, and in the interest of time and accuracy, the State Controller relies on Idaho Code 67-1084 for state agency assistance in the execution of his duties. Part of these duties pertains to the daily processing and entering vouchers, etc. in STARS. The development of the Management Control System, Statewide Fiscal Policies manual, and a STARS Manual are to assist agencies in fulfilling those duties as prescribed by law.

The following Idaho Code sections address the responsibility of the agencies in assisting the State Controller and those duties regarding the coding and pre-processing review.

- [Idaho Code 67-1084 - Duties of Officers to Assist State Controller](#)
- [Idaho Code 67-1053 - Obstructing or Misleading State Controller](#)

RESPONSIBILITY FOR PRE-PROCESS REVIEW VERIFICATION

Idaho Code requires examination of vouchers (pre-processing) before payment.

- [Idaho Code 67-2013 – Filing, Examination, and Correction of Vouchers \(Pre-Process\)](#)

RESPONSIBILITY FOR FINAL APPROVAL VERIFICATION AND RELEASE

Idaho code requires that the voucher is correct and there are sufficient moneys in the fund before payment of the voucher.

- [Idaho Code 67-2014 – Certification of Claim by Controller \(release approval\)](#)
- [Idaho Code 67-2017 - Criminal Liability for False Certificate](#)
- [Idaho Code 59-1021 – Violation and Penalty \(Using a Facsimile Signature with Intent to Defraud\)](#)

CODING AND PRE-PROCESS REVIEW - UNDERSTANDING THE BASICS

PAYMENT OF INVOICES/ BILLS

APPROPRIATION / CASH REQUIRED FOR PAYMENT

Since the legislature determines the amount each agency can spend, they establish appropriation limits for each agency. The appropriation controls are at the fund, object, and budget unit level. The coding you enter on transactions posts to these appropriation controls as well as to cash controls. Exceeding these limits is considered “deficiencies” which are prohibited by law, with a few minor exceptions which STARS controls using the Budget Unit Table. See the [Budgeting](#) chapter for more information on budget units, appropriations, lump sum appropriations, etc.

- [Idaho Code 67-1003 – Appropriation Necessary to Authorize Warrant](#)
- [Idaho Code 59-1015 - Deficiencies – Creation Prohibited - Exception](#)
- [Idaho Code 59-1016 - Deficiencies - Contracts in Creation Of, Void](#)
- [Idaho Code 59-1017 - Deficiencies - Penalty for Creating](#)

PROMPT PAYMENT OF BILLS

In order to determine what the State of Idaho considers as “prompt payment” of bills, the state legislature defines the policy to which the state agencies should adhere. Generally, bills shall be paid within sixty (60) calendar days of receipt of billing and partial payment shall be made on partial deliveries within forty-five (45) calendar days. The following Idaho Code addresses the responsibility of the agencies in the prompt payment of bills.

- [Idaho Code 67-2302 - Prompt Payment for Goods and Services](#)

ADVANCE PAYMENT OF BILLS

There are times when it is beneficial or necessary to pay a bill in advance. Some vendors may require advance payment for goods or services, or may give your agency a larger discount if you make the payment in advance. The state legislature defines the regulating of claims requiring payment in advance.

The following Idaho Code addresses the responsibility of the agencies in the advance payment of bills.

- [Idaho Code 67-1024 - Regulating Claims Requiring Payment in Advance](#)

CLAIMS AGAINST THE STATE - EXPIRATION DATE

Claims against the state require evidence of the claim and are to be settled within certain time limits. The following code addresses claims against the state, including expiration date or time limits.

- [Idaho Code 67-1023 - Claims Against the State](#)

SUPPORT DOCUMENTATION (INVOICES / BILLINGS)

In order to start coding a transaction for data entry into STARS, you must first identify and review your support documentation. This is the documentation necessary for you to correctly code a transaction. You must develop, file, and retain a minimum level of support for your transactions.

Use the Legislative Services Office guidance when selecting the nature and extent of source documentation to retain. See the [Invoice/Billing Review section](#).

The following Idaho Codes address the responsibility of the agencies in regards to support documentation of vouchers, bills, invoices, etc. Your support documentation, including invoices,

must have adequate information to be able to adequately review and code the billing. In the following Idaho Codes, the state legislature identifies the types of basic information that should be on an invoice.

- [Idaho Code 67-1103 - Certificates and Claim Vouchers to Contain Data Essential to Classification](#)
- [Idaho Code 67-2010 - Supplies - Vouchers](#)
- [Idaho Code 67-2011 - Services - Vouchers For](#)

Per the Legislative Services office, someone from your agency must verify receipt of goods or services. You can do this on the packing slip or the invoice. In addition, someone would need to verify the price and extensions. An authorized signatory could authorize payment of the entire batch.

NOTE: Those authorizing a batch are responsible for the entire batch. For audit purposes, the key is to be able to trace every item back to the signed batch header or individual invoice, showing official authorization to make the payment.

INVOICE / BILLING REVIEW

For original expenditure entry, the minimum source documentation required is normally a vendor invoice. Guidelines for reviewing an invoice usually involve a minimum of the following:

1. You should not make payments using a “statement” as source documentation, use an invoice. Use the original invoice, not copies. If the original is lost, you may have to use an invoice showing past due amounts. If this is necessary, double-check to be sure you have not already paid the invoice. This is a safeguard so that you do not pay an invoice and then later a statement for the same thing.
2. You should have documentation of the approval to order which should include the following:
 - a. There should be a purchase order or some documentation of approval to order. The purchase order or approval to order should have the signature of someone authorized to approve the order. On minor items, this can be a blanket authority. The purchase order or authorization should contain the price and the amount of the goods you plan to receive.
 - b. There should be a signed receiving report that shows the items received, including any shortages or damage of goods. Often, the signature is just someone signing the invoice, but there should be at least a signature on the packing slip, which comes with most deliveries.
 - c. To ensure the invoice is the right price and the goods that are being paid for have been received, you should compare the invoice to both the purchase order or approval to order and the receiving report.
3. You should check all extensions to be sure you are paying the correct amount. For supplies, this should be the number of items times the price of each item. For services, this

should be the rate of pay times the hours. You should total all extensions to be sure they match the total of the invoice in compliance with Idaho Code sections on the previous page.

4. The invoice should have the initials of the person matching up and coding the previous data.
5. Deduct sales tax from the invoices where allowable. See the [Taxes That Can Be Deducted](#) section.
6. Check the [Meeting Refreshments](#), [Moving](#), [MPC \(Multi-Purpose Code\)](#), and [Travel](#) policies.
7. Always be sure to examine questionable expenses and document the reason.
Idaho Codes 67-2010 and 67-2011 require that vouchers submitted for payment must be for those supplies or services necessary in the public service. Those supplies or services that are illegal or may be illegal due to age are not payable unless they are necessary in the public service.
EXAMPLE 1: Alcohol, tobacco, drugs, etc. are not allowable unless it is a part of the state's official business, such as use in law enforcement or state liquor dispensary.
EXAMPLE 2: Flowers, cards, etc. for sick employees are nice but do not meet the "necessary in the public service" requirements to be paid by the state. However, appreciation gifts, such as certificates, cards, etc. for volunteers are acceptable as long as they are reasonable.
8. Check for agency approval signatures on the batch header or individual documents.
9. Follow the Internal Auditing of Travel Expense Vouchers requirements set by the State Board of Examiners in the travel regulations. You can find current travel regulations including internal auditing at the [State Travel Policy and Procedures](#) web site - Internal Auditing of Travel Expense Vouchers section. All agencies must follow these regulations and guidelines.

You must review the information on the invoice to determine the proper coding. The invoice should contain enough information so you know whom you are paying and for what you are paying.

TAXES THAT CAN BE DEDUCTED

The following Idaho Code section identifies those public organizations that are exempt from Idaho sales tax. Taxes imposed by other states are still payable. This does not exempt your agency from paying city or motel taxes.

If you are reimbursing an employee for payment they made for lodging, etc. and they paid the Idaho sales tax, you should reimburse the employee for that Idaho sales tax. If the lodging is direct-billed, you may deduct the Idaho sales tax from the bill before paying. Sometimes, when you are dealing with very small places of lodging, they may complain about having the amount deducted. If so, to promote good will with the vendor, you may go ahead and pay the Idaho sales tax.

The following Idaho Code addresses the responsibility of the agencies in deducting taxes from the payment of bills.

- [Idaho Code 63-3622O - Exempt Private and Public Organizations \(From Idaho Sales Tax\)](#)

MEETING REFRESHMENTS

The State Board of Examiners regulates the travel requirements, which include the requirements you must meet before you can qualify to pay for meeting refreshments. You can find current travel regulations including meeting refreshments at the [State Travel Policy and Procedures](#) web site - Meal Expenses Allowable section. Be sure to attach all required documentation as your source documentation for paying the bill. All agencies must follow these regulations and guidelines.

Since the State Board of Examiners may change these regulations from time-to-time, we will not list those meeting refreshment requirements here. Please refer to the State Board of Examiners site listed above.

MPC (MULTI-PURPOSE CODE)

STARS data entry screens contain a ten-character field in the lower right corner entitled MPC (Multi-Purpose Code). The MPC field is available for agency use. It is also used for MER (miscellaneous encumbrance requisitions) documentation when setting up an encumbrance expecting to go across fiscal years. The DAFR6870 (Expenditure Report by Multipurpose Code) is available for reporting this field.

EXCEPTIONS OF CLAIMS TO THE STATE

The following Idaho Code section addresses how to handle claim exceptions your agency wishes to have the State Board of Examiners review.

- [Idaho Code 67-2018 - Audit of Claims \(By State Board of Examiners\)](#)

VOUCHER FORMS - FOR CODING INFORMATION

The Expenditure Disbursement Input form is provided for coding data entry information ([click here to download the EXPDISB form in PDF](#)). However, you may use any method that allows you to adequately code, data enter, pre-process review, and final release review the data, as long as you can show the following EXPDISB information when needed for coding.

The following Idaho Code section addresses the responsibility of the agencies to use appropriate voucher forms when paying bills/invoices.

- [Idaho Code 67-2005 - Voucher Forms](#)

CODING THE INVOICE / BILLING

Once you have completed the review of the invoice ensuring it meets all Idaho Code requirements, policies, and regulations, you can start to code a transaction(s) for data entry to STARS.

STARS requires the use of coding to identify the type of a transaction you are processing which results in the correct accounting postings (transaction code).

STARS also requires the use of coding to identify where you want the payment accounted for within your agency structure (Index or PCA). We will discuss the main types of basic coding elements. You should become familiar with the other coding elements discussed in the Data Entry Fields section of the [Getting Started](#) document.

Some elements in the table below are hyperlinked to other documents on the SCO web site that have more information about them.

| Data Element/Data Field | Description |
|----------------------------------|--|
| DOCUMENT NUMBER | STARS transactions require an eight-character current document and two-digit suffix number. STARS uses the document/suffix number to identify different transactions. STARS uses this number as a means to trace transactions through the accounting system. |
| TRANSACTION CODE | STARS transactions require a three-character transaction code. This code determines to what general ledger accounts and STARS files the transaction will post. It also governs what data entry fields you need or are allowed to enter. It also determines whether STARS will generate a warrant or another transaction code. |
| RVS | The one-character reversal will change the debits and credits of a transaction code. You normally leave this field blank unless you are doing an "R" reversal. You must use the space bar to clear this field if you have enter it and do not want it on the transaction. |
| DISB-METH | <p>The one-character disbursement method indicator (DMI) will sort the warrants that are processed daily that have the same DISB-METH indicator. Disbursement Method "L" sorts a warrant from the regular mail so we can send it to your office before mailing (for non-EFT vendors). You should not use this disbursement method unless absolutely necessary for items such as hand-delivery or legal necessity. You should not have to do "L" disbursement methods if you put adequate information in the invoice number and invoice description fields so the vendor can identify where to apply the payment. You must use the space bar to clear this field.</p> <p>NOTE: For agencies that have a large volume of special program warrants, SCO can assign a unique disbursement method to group these warrants.</p> |

| Data Element/Data Field | Description |
|-------------------------------------|---|
| REF-DOC/SFX | STARS uses the eight-character reference document number and two-digit suffix when posting information to the Document File once the document is set up by the Current Document Number. This tells the system to which existing document number to post the transaction. We recommend that you leave this field blank unless the transaction requires that you enter the information. See the Encumbrances and the Interagency Billings documents for more information on using reference document numbers. |
| MOD | STARS uses the one-character modifier field to close or re-open a document on the Document File. You must use the space bar to clear this field if you have enter it and do not what it on the transaction. Modifier “F” (final) or “C” (close) closes a document where modifier “A” (activate) opens a closed document. See the Encumbrances document for more information on using a modifier. |
| BFY | Every STARS transaction requires a two-digit budget fiscal year. This tells the system which year to post the transaction. STARS defaults to the current BFY unless you override it when you are making a payment to a prior year encumbrance. |
| GAAP IND | The one-character GAAP indicator helps your agency track transactions at the end of one year and the beginning of the next year. Your agency will use this for manual entry into the Comprehensive Annual Financial Report to show accruals. You must use the space bar to clear this field if you have entered an indicator and do not want it on the transaction. See the GAAP Closing Packages manual. |
| INDEX AND PCA CODES | STARS requires most of the transactions to have both a four-digit Index and a five-digit PCA code. The Index or PCA are codes used by your agency to identify certain programs (PCA) or organization (Index) structure to which STARS should post the transaction. You would normally enter either an Index or a PCA that would look up the other. |

| Data Element/Data Field | Description |
|--------------------------------|---|
| SEC AGENCY | The three-digit second agency is required on transactions where an agency is billing another agency. You can also use a second agency for receipt transactions when sending cash to another agency, if Idaho Code allows your agency to do so. This allows the system to know the other state agency that is involved in the transaction. STARS can use this SEC AGENCY code to automatically transfer monies between agencies when it creates the generated transaction defined by the transaction code. You would normally leave this field blank unless the transaction code requires a second agency. |
| SUBSID | The seven-digit subsidiary number identifies subsidiary accounts for transactions that allow an agency to track amounts separately by a unique subsidiary number. This may show the accounts receivable by agency instead of document-by-document. You would normally leave this field blank unless the transaction code requires a subsidiary. See the General Ledger chapter for more information on subsidiaries. |
| PCN | The four-digit PCN identifies the payroll Position Control Number when doing transactions that post to payroll subobjects (4000 - 4999). Only a small number of transaction codes allow a PCN number. Non-payroll expenditure and adjustment transaction codes will not allow you to enter a PCN number or a 4000 series subobject. |

| Data Element/Data Field | Description |
|----------------------------|--|
| SUBOBJECTS | <p>STARS uses the four-digit expenditure subobject and two-digit detail to identify the payment category such as office supplies, accounting services, etc. The expenditure subobjects are statewide (every agency uses the same) while the detail is agency-specific (each agency can set them up however they wish). These post to the files for reporting and budgetary controls. STARS uses these subobjects to trigger additional internal processes. EXAMPLES: The Personnel subobjects (4000 – 4999) require a transaction where the PCN number is required. Some of the Capital Outlay subobjects (6000 - 6999) require an inventory number since the information goes to the Fixed Asset System.</p> <p>STARS uses the revenue subobject and detail to identify the category of the receipt received. The revenue subobjects are statewide (every agency uses the same) while the detail is agency-specific (each agency can set them up however they wish). These post to the files for reporting and cash controls. With the exception of the TC 027 (receipts to appropriation), you would not use both an expenditure and revenue subobject on the same transaction.</p> |
| AMOUNT | <p>Every STARS transaction requires an amount (maximum eighteen-digit number, including a decimal). Amounts are not necessarily the amount you see on a check or the total amount you are paying. These amounts can be broken down into numerous transaction amounts to be able to post to different programs or organizations depending on the Index, PCA, Grant or Project identified. STARS posts these amounts to various STARS files to use for reporting as well as for cash and budgetary controls. See the Transaction Code Decision Table chapter of the manual for more information on file postings.</p> |
| WARR-NO | <p>Agencies will <u>not</u> normally enter the nine-digit warrant number. STARS automatically issues the warrant number on payments made by your agency. The State Controller's Office or an agency with special permission enters these manual warrant numbers when they issue a manual warrant. You can find these warrant numbers on the Vendor Payment and Warrant Files. See the Warrants and Cancellation subchapter for more information on warrants.</p> |

| Data Element/Data Field | Description |
|--|---|
| BU | STARS normally looks up the four-digit budget unit using your Index or PCA information. The only time you will normally have to enter a Budget Unit is for entering budgetary batches. See the Budgeting chapter of this manual for more information on budget units. |
| GLA | Agencies will <u>not</u> normally enter the four-digit general ledger account. The State Controller's Office will enter this field on unusual transactions that only SCO can enter. You may see this information on your daily reports if SCO is making an adjusting entry on your behalf. See the General Ledger chapter for more information on G/L accounts. |
| PROP# / COMP# | The ten-character property number and the two-digit component number are the inventory numbers your agency uses to identify your property. STARS requires this number on some of the Capital Outlay subobjects to transfer this number to the Fixed Asset System (FAS). The system will prompt you if you need to code a property and component number. See the FAS User Manual on the SCO website for more information. |
| CI | You can enter the one-character capitalization indicator if the transaction you are entering will not normally go to the Fixed Asset system, but you wish it to. You would normally use this field if you had Operating Expenditures (5000 - 5999) that you want to post to the Fixed Asset System. If you enter a CI, you must also enter the Property and Component Number. See the FAS User Manual under Library – Online Manuals for more information. |
| INVOICE NUMBER/DESCRIPTION | The fourteen-character invoice number and thirty-character invoice description will print on the warrant stub as information to the vendor identifying what you are paying. This number lets the vendors know where to post the payment without having to have additional paperwork sent to them. Likewise, it tells STARS where to post the payment when processing Interagency Billings (where one agency bills another). STARS also posts this information to the Vendor Payment File. This invoice number shows on daily reports for both expenditures and receipts. See the Expenditures and Disbursements chapter and the Interagency Billings subchapter for more information. |

| Data Element/Data Field | Description |
|---|---|
| VENDOR NUMBER | STARS uses the nine-character vendor number and two-character suffix to look up the name and address on the Vendor Edit Table (table 21) in order to send the payment to the correct vendor and location. This is the number STARS uses for tax reporting to the IRS. |
| NAME NAME 2 ADDR / CITY / STATE / ZIP | <p>You do <u>not</u> usually have to enter the vendor name, vendor name 2, or address. The vendor number normally looks up the forty-character vendor name, the forty-character vendor name 2, the forty-character address, the fifteen-character city, the two-character state, and the nine-character zip code (zip plus 4) fields from the Vendor Edit Table (table 21). However, if you use a transaction code that does not allow the vendor number for a payment to a vendor, you must manually enter these fields. This is the name STARS uses for tax reporting to the IRS. This Name and the above Vendor Number must match the IRS (Internal Revenue Service) or SSA (Social Security Administration) files. See the Expenditures and Disbursements chapter for more information on Vendors and 1099MISC tax reporting.</p> <p>NOTE: The Vendor Name 2 is usually the business name for the sole-proprietor or partnership. It could also be the affiliated business name of a large corporation (the corporation name would be in Name and the business name would be in Name 2). STARS sends this name to the IRS for informational purposes only.</p> |
| GRANT/PH | STARS can look up the six-character grant and two-digit phase using your Index or PCA information. You can also enter it directly or override the looked up Grant and Phase. Your agency decides whether they want to establish Grants/Phases to keep track of certain types of revenues and/or expenditures. They also decide on the level of control and reporting. Grants are not exclusively for federal grants so you can use them to track any type of information. You can set up grants with controls that will stop a payment if you exceed cash or budget limitations set by your agency. Grants can post to the general ledger and/or cash control files. See the Classification Structure chapter and its documents for more information. |

| Data Element/Data Field | Description |
|--|--|
| PROJ/PH | STARS can look up the six-character project and two-digit phase using your Index or PCA information. You can also enter it directly or override the current Project and Phase. Your agency decides whether they want to establish Projects/Phases to keep track of certain types of revenues and/or expenditures. Use projects when you need to identify the amounts for individual subgrantees. They also decide on the level of control and reporting. You can use Projects to breakdown projects within a grant or you can use them on their own. You can set up projects with controls that will stop a payment if you exceed budget limitations set by your agency. Projects do not have the capability to stop a payment based on cash. Projects cannot post to the general ledger or to cash control files. See the Classification Structure document for more information. |
| FUND/DTL | STARS normally looks up the four-digit fund and two-digit detail using your Index or PCA information. The only time you will normally have to enter a fund or detail is for entering budgetary batches. The State Controller's Office will enter this field on unusual transactions that only SCO can enter. See the General Ledger and Classification Structure documents for more information. |
| F/O | The State Controller's Office will enter this one-character fund override on unusual transactions that only SCO can enter. Agencies <u>cannot</u> enter this field since it allows the transaction to process although there is not enough cash or appropriation available. You will see a fund override "W" on all TC 326 (payroll) transactions. This allows payroll to post even if your agency does not have sufficient cash or appropriation, which law allows. |
| MPC (MULTI-PURPOSE CODE) | The ten-character multi-purpose code field shows State Purchasing contract or purchase order information. STARS sends this information to State Purchasing on a monthly basis so they can monitor the usage of their contracts. Since the state contract numbers are normally eleven characters, you should drop the first character and enter the next ten. |

| Data Element/Data Field | Description |
|--------------------------------|---|
| LOC / FAC / TASK | The Index and PCA can look up the six-character location, the four-character facility, and the four-character task. However, these may be manually entered. Each agency defines these fields to identify certain transactions for grouping for their agency. There are no reports by these fields. You will have to use an alternative-reporting program to accumulate the information. They are for agency reference only. See the Classification Structure chapter for more information. |
| DOC-DATE | You would <u>not</u> normally use the six-digit document date for payments. STARS uses the document date to age the accounts receivable from documents on the Document File. You should enter the date the receivable began, not when you enter it into STARS. |
| EFF-DATE | STARS uses the six-digit effective date on the transaction to know which month to post the transaction. During the first three days of the next month, both the prior and current month are open for posting. During this period, STARS allows you to post to either month depending on this effective date. Once STARS closes a month, the effective date must be the current month. See Function 54 in the Getting Started document for information on how to change effective date on batches in error mode 3. |
| DUE-DATE | STARS uses the six-digit due date on special transaction codes in order to print a future date on the warrant, such as for payroll warrants. Most transaction codes do not have this feature. |

ASSIGNING A DOCUMENT NUMBER

Most STARS transactions require an eight-character current document and two-digit suffix number. STARS uses the suffix number to identify different transactions if you are using the same Current Document number for multiple transactions. You would normally assign a current document/suffix number to each transaction on the invoice. You may have one or more transactions coded for an individual invoice. The transaction(s) must total the invoice amount. See the [Getting Started](#) document for more information on document numbers.

Each agency should set a standard for how your agency will assign document numbers. You may set this numbering scheme however you wish. There are a few common ways that agencies assign document numbers:

- Assign one current document number to each invoice and use different suffixes for each transaction on the invoice. EXAMPLE: EXP00701-01, EXP00701-02 for the first invoice then EXP00702-01, EXP00702-02, etc. (This way each invoice you are paying the vendor will have an assigned number. This is the most common way of using current document/suffix numbers especially for agencies that file invoices by vendor.)
- Assign one current document number to the batch and use different suffixes for each transaction. EXAMPLE: EXP00701-01, EXP00701-02, etc. (**WARNING**: This way limits you to 99 transactions in the batch.)
- Assign one current document number/suffix to each transaction regardless as to whether they belong to the same invoice. EXAMPLE: EXP00701-01, EXP00702-01, EXP00703-01.
- Some agencies chose to start the numbering system from 00000001 for all types of batches. Some agencies like to show the type of batch in the current document number, such as RCPT0001 (for receipts), EXP00001 (for expenditures), etc.

The current document number on the filed invoice or batch should be traceable back to the monthly transaction registers. These transaction registers present the full detail of the accounting transaction.

STARS uses this current document/suffix number as the document number on the Document file when the transaction code creates a document. You may want to make this CUR-DOC/SFX number mean something to those using the Document File for payments, etc. The Document File is used for keeping track of individual records such as accounts receivables, accounts payables, encumbrances, loans, etc.

STARS also uses this number on the Vendor Payment File, listing the payments to a vendor in alphabetical order using this CUR-DOC/SFX number. To keep the numbers in date order, you may want this number to be consecutive from the first of the year to the end. (EXAMPLE: RCPT000001, RCPT000002, or EXP00654, EXP00655, etc.)

ASSIGNING A TRANSACTION CODE

Every STARS transaction requires a three-character transaction code. This code determines which General Ledger accounts and STARS files the transaction will post. It also governs what data entry fields you need or are allowed to enter. The transaction codes also determine whether STARS will generate a warrant, another transaction code and/or a 1099MISC record for tax purposes. See the [Transaction Code Decision Table](#) chapter for more information on transaction codes.

The one-character reversal (RVS) will change the debits and credits of a Transaction Code. You normally leave this field blank unless you are doing an “R” reversal. You must use the space bar to clear this field if you have entered it and do not want it on the transaction.

When you are coding invoices, use the transaction codes relevant to the type of invoice you are coding. Refer to the following documentation:

| CHAPTER / SUBCHAPTER | DESCRIPTION |
|--|---|
| Expenditures and Disbursements | Recording expenditure and disbursement transactions is the most frequent accounting activity in most organizations. An expenditure or disbursement transaction codes usually generate a warrant for payment to an outside entity. |
| EFT Payments | EFT (Electronic Funds Transfer) is a process which allows the State to make payments electronically and more timely, rather than issuing and mailing warrants. EFT is the transfer of funds between two or more organizations or individuals using computers and other automated technology. NOTE: Many vendors are showing interest in EFT payment because payments are made quickly; security is high because there are no warrants to be lost, stolen, or forged; and employee time can be spent doing things other than dealing with warrants. The state is also finding many benefits such as reduced administrative and operating expenses as well as improved business relationships with vendors. |
| Encumbrances | An encumbrance is an obligation charged against an appropriation in order to reserve part of the appropriation. When you pay an encumbrance with specific encumbrance transaction codes, the encumbrance or part of the encumbrance decreases. |
| Investments | The state maintains a cash and investment pool that is available for use by all funds. Some agencies make investments directly rather than through the State Treasurer. Only a few agencies are authorized to make such investments and then only for specific programs. They will use specific investment transaction codes. |
| Moving | Moving expense reimbursements provide detail information for moving expense transactions for entry into STARS. You may need to send part of the moving payment through EIS before it processes in STARS. |
| Payroll (labor distribution) | Each pay period, the Employee Information System (EIS) with the State Controller's Office downloads information regarding payroll payments to employees. This information comes into STARS with coding previously entered into the EIS system. This EIS payment information automatically updates the STARS accounting system. EIS records also automatically update the Vendor Edit Table on new and terminated employees as well as those with a change of address. |

| CHAPTER / SUBCHAPTER | DESCRIPTION |
|---|---|
| Third Party Payer (P-Card , credit card, pmts by employees) | The State of Idaho makes payments to vendors through third party payers such as the Purchasing Card (P-Card) bank, credit card banks, payments by employees, etc. Since these payers are making payments to vendors on behalf of the agency, some additional accounting work will be required to meet payment deadlines and to meet certain criteria concerning IRS 1099MISC reporting. |
| Recurring Transactions | STARS allows you to automatically post recurring transactions. This reduces the manual, repetitive effort of posting transactions and decreases the possibility of errors. STARS allows you to enter and save fixed transaction schedules and accounting information which you may use to automatically generate recurring transactions. The agency must request the generation of these one-time transactions as needed (such as monthly, weekly, etc.) Recurring transactions are used for payments that regularly occur in the same amount and to the same vendor, such as rent payments, etc. You can also use them to pay the same monthly vendor where only the amount changes, such as for board members, etc. |
| Rotary Fund | A Rotary Fund is a special fund established for an agency to provide emergency expenditure payments using sight drafts instead of warrants, within a pre-authorized limit. You can reimburse this fund from your agency's operating fund using specific rotary fund transaction codes. |
| Travel | Travel expense reimbursements provide detail information for travel expense transactions for entry into STARS. This information includes the description of mode of travel, meals, lodging, and miscellaneous travel expenditures. The State Board of Examiners set the state travel policies and procedures. |
| Vendors | STARS requires a federal tax ID number for any vendor paid through the system. STARS uses this information for 1099MISC tax reporting to the IRS. The STARS Vendor Edit File stores the names, addresses, and federal tax ID numbers of all the vendors doing business with the State. To make a payment to a vendor, it is your responsibility to make certain that the vendor is on the STARS vendor file. To add a vendor, supply the vendor information to SCO using the Vendor Maintenance Form . |

| CHAPTER / SUBCHAPTER | DESCRIPTION |
|---|--|
| Warrants and Cancellations | STARS automatically generates warrants for transactions which you have released for nightly processing. When STARS writes warrants, it records transactions in the STARS files to reflect the expenditure or disbursement. The system also generates a remittance advice to support each warrant identifying the source of the payment. STARS sends this remittance advice to the vendor at the time of payment. You may also need to cancel warrants due to situations such as issuing a warrant erroneously to the wrong vendor, for the wrong amount, to the wrong address, etc. STARS or the State Controller's Office will use warrant and cancellation transaction codes that will show on your daily reports. |
| 1099MISC and Workers Compensation | STARS uses the Vendor Payment File information and subobjects entered by the agencies to determine whether to generate a 1099MISC tax form to a vendor and send it to the IRS. STARS uses these subobjects to determine whether a transaction will show on the Workers Compensation report sent to the State Insurance Fund for their review. The goal is to have all 1099 reportable payments posted to the Vendor Payment File that is used for the computer 1099MISC extract. STARS posts information to the Vendor Payment file depending on the type of transaction code you use. |

ASSIGNING INDEX AND PCA CODES

STARS requires most of the transactions to have both a four-digit Index and a five-digit PCA. The Index or PCA are codes used by your agency to identify certain programs (PCA) or organization (Index) structure.

The Indexes and PCAs are “short-cut” keys that help decrease the amount of data fields you have to enter. Since many of your transactions require posting to the same data fields time after time, these “short-cut” keys can be set up to automatically enter (lookup) the same data element information each time you use them.

Most agencies can be either PCA-driven (where you code the PCA and STARS automatically enters the Index) or Index-driven (where you code the Index and STARS automatically enters the PCA). Some agencies must enter both. You should obtain an Index and/or PCA listing for your agency from your Fiscal Officer to use when coding transactions.

The system can generate different levels of reports for your agency based on the agency structure that you attach to these Index and PCA keys. These are set up at the first of each year by your agency. We will identify the data fields below that these “short-cut” keys may normally look up. See the [Classification Structure](#) document for more information on Index or PCA setups.

ASSIGNING SUBOBJECTS

STARS uses the subobjects on transactions to determine which appropriation object to charge the expenditure. If there is not enough appropriation in the appropriate budget unit and fund for this subobject, the transaction will not process. See the [Budgeting](#) document for more information.

REVENUE SUBOBJECTS

STARS uses the four-digit revenue subobject (you can also code a two-digit agency-specific detail) to identify the category of the receipt received. The revenue subobjects are statewide (every agency uses the same) while the detail is agency-specific (each agency can set them up however they wish). These post to the files for reporting. You can find these revenue subobjects in the [Appendix A - Revenue Subobjects Short List](#). We do not have a “long list” that supplies definitions, since each agency has different Idaho Code requirements, such as different fees, etc. See the [Cash Receipts](#) document for more information on revenue subobjects and cash receipts.

EXPENDITURE SUBOBJECTS

You must enter a four-digit expenditure subobject (you can also enter a two-digit agency-specific detail) to identify the payment category such as office supplies, accounting services, etc. The expenditure subobjects are statewide (every agency uses the same) while the detail is optional and agency-specific (each agency can set them up however they wish). These post to the files for reporting and budgetary controls.

STARS uses these subobjects to trigger additional internal processes. EXAMPLES: The Personnel subobjects (4000 - 4999) require a transaction where the PCN number is required. Some of the Capital Outlay subobjects (6000 - 6999) may require a property and component (inventory) number since the information may go to the Fixed Asset System.

There are two listings of expenditure subobjects. We highly recommend that you read and understand the descriptions of these subobjects. This will give you more information on what subobject to use for certain transactions.

- Expenditure subobjects listed numerically with a detailed description of how the subobject can be used in [Expenditure Subobjects Long List](#).
- If you are familiar with the expenditure subobjects, see the shortened version that does not have the descriptions - [Expenditure Subobjects Long List](#). This is a report-generated list.

The following Idaho Code sections address the responsibilities of the State Controller, of the Division of Financial Management, and of the Legislative Services Office in establishing and changing subobjects.

- [Idaho Code 67-1101 - Uniform Classification of Receipts and Expenditures - Duty of State Controller](#)
- [Idaho Code 67-3508 - Expenditure Object Codes](#)
- [Idaho Code 67-3510 - Expenditure Object Codes Made to Conform \(To State Budget\)](#)

ENTERING AN AMOUNT

Every STARS transaction requires an amount (maximum eighteen-digit number, including a decimal). Exclude commas, dollar signs, and negatives from your entries.

Amounts are not necessarily the amount you see on a check or the total amount you are paying on an invoice. These amounts can be broken down into numerous transaction amounts to be able to post to different programs or organizations depending on the Index, PCA, Grant or Project identified. The invoice can also be broken down for posting to different subobject. If you do break an invoice down in to multiple transactions, be sure that the total of those transactions match the total of the invoice.

STARS posts these amounts to various STARS files to use for reporting as well as for cash and budgetary controls. See the [Transaction Code Decision Table](#) chapter of the manual for more information on file postings.

ENTERING AN INVOICE NUMBER / DESCRIPTION

INVOICE NUMBER

The fourteen-character invoice number will print on the warrant stub as information to the vendor that you are paying. This number lets the vendors know where to post the payment without having to have additional paperwork sent to them.

Likewise, it tells STARS where to post the payment when processing Interagency Billings (where one agency bills another). STARS also posts this information to the Vendor Payment File. This invoice number shows on daily reports for both expenditures and receipts as well as many other reports. See the [Expenditures and Disbursements](#) chapter and the [Interagency Billings](#) subchapter for more information.

INVOICE DESCRIPTION

The thirty-character invoice description will also print on the warrant stub. Be sure you include enough information so either the vendor or your agency can identify the payment. This is additional information to the vendor such as the month or on whose behalf the payment is being made.

STARS also posts this information to the Vendor Payment File. The invoice description shows on daily reports for both expenditures and receipts. See the [Expenditures and Disbursements](#) chapter for more information.

ASSIGNING A VENDOR NUMBER

STARS uses a nine-character vendor number and the two-character suffix to look up the name and address on the Vendor Edit Table (table 21) in order to send the payment to the correct vendor and location. This is the number STARS uses for tax reporting to the IRS. See the [Vendors](#) subchapter for more information on Vendors and 1099MISC tax reporting.

It is very important to be able to lookup and understand vendor numbers. Which vendor number and suffix you use can make the difference if STARS sends the payment to the vendor as an EFT or as a warrant. It also affects the location where STARS will send the warrant and/or documentation for the payment.

- If you are making a payment to a vendor that is not on the Vendor Edit Table, you should obtain the data and submit it for data entry before the invoice can be data entered.
- If you are coding a transaction in which the transaction code does not allow a vendor number, the vendor name and address will have to be manually data entered.

CODING TO FUND / DTL

STARS uses the funds on transactions to determine which cash control fund to charge the expenditure. If there is not enough cash for this fund within your agency, the transaction will not process.

STARS also uses the funds on transactions to determine which appropriation fund to charge the expenditure. If there is not enough appropriation in the appropriate budget unit and object for this fund within your agency, the transaction will not process. See the [Budgeting](#) chapter of this manual for more information.

STARS normally looks up the four-digit fund and two-digit detail using your Index or PCA information. The only time you will normally have to enter a fund or detail is for entering budgetary batches. The State Controller's Office will enter this field on unusual transactions that only SCO can enter. See the [General Ledger](#) chapter for more information.

The following Idaho Code addresses the need for you to post the payment to the correct fund. Your agency normally has the funds you will use identified in your respective Idaho Code for your agency. These Idaho Code sections normally address the type of fund and requirements for receipting and making payments.

- [Idaho Code 67-3603 - Manner of Payment of Sums Appropriated \(Against the Proper Fund\)](#)

BATCHING THE INVOICE / BILLING TRANSACTIONS FOR DATA ENTRY

Depending on the type of voucher your agency decides to use, you must put the transactions into a batch for processing through STARS. See how to fill out a batch HEADER form in the [Getting Started](#) document.

Once you have completed batching the transaction, complete the “Prepared By” section of the batch HEADER form. After logging the batch on the Agency Control Log, you are ready to submit the batch for data entry. Be sure that the person entering the batch has the Operator Class STARS requires in order to enter all of the transaction codes in the batch.

DATA ENTRY

Your agency is a factor in determining the type of data entry you will do. The common types of data entry are as follows:

- **REGULAR DATA ENTRY** - You have a special “data entry” person who will enter the batch the coding person has created. This could be the same person.
- **INTERFACING** - You may be an agency that “interfaces” batches to STARS. This is where your internal agency computer system sends information directly into STARS based on a STARS-specific record layout.
- **DIRECT DATA ENTRY** - Your coding person may actually do the coding directly online. As long as the pre-process and release people can easily connect the online coding to the specific invoice in the batch, such as having a specific document number or document number/suffix written on an individual invoice / billing. It would be recommended that you may want to keep the batch, or at least the approved batch header (with the range of document numbers identified), with the incoming DAFR7101 daily report. This would enable you to tie back the coding to the invoices when needed.

STARS ONLINE CONTROLS

STARS has several online controls that can help detect certain types of coding errors made while entering expenditures and disbursements. The following is a list of the major data entry controls:

| ONLINE CONTROLS | DESCRIPTION |
|-----------------------------|--|
| DATA ENTRY - OPERATOR CLASS | <p>STARS requires that each agency assign an Operator Class to each employee's security profile setup. The Operator Class determines whether STARS will allow you to process certain transaction codes. STARS assigns this Operator Class to the batch when you create the batch header online. For those creating the batch header on STARS, only those transactions within their Operator Class range will process through STARS. Your agency security administrator is responsible for identifying the Operator Class for each employee. They will normally give you only the data entry capabilities that your job responsibilities require.</p> <p>NOTE: The operator entering the batch header must have approval to enter the transactions in the batch or the batch will error.</p> |
| DATA ENTRY – TABLE CONTROL | <p>Whether the system immediately does edit checks on the tables of financial information depends on the batch edit mode used when entering the batch header (coding personnel may determine the batch edit mode level).</p> <p>0 - No edits. Enters data without edits to the tables or financial balances during data entry. This mode allows you to enter a future effective date. It also allows you to enter a vendor number before the vendor number updates to the Vendor Edit Table. We do not recommend this mode, since it is difficult for the pre-process review personnel to be sure you have entered the data correctly. When using this mode, STARS updates files in batch process only during the nightly processing.</p> <p>1 – Enters data with table edits during data entry. Used for most normal batch entries. This mode will do lookups and edits on table information such as the Index/PCA, grant, project, and vendor tables. When using this mode, STARS updates files in batch process only during the nightly processing.</p> <p>2 – Enters data online real-time doing both table and financial edits and updates STARS files. At this time, the State Controller's Office is the only STARS user authorized to enter batches in edit mode 2.</p> |

| ONLINE CONTROLS | DESCRIPTION |
|------------------------------------|---|
| DATA ELEMENTS ON TRANSACTION CODES | <p>STARS will not let you enter an accounting transaction that has data elements that do not exist or that have an end date. The transaction code determines the data entry fields you need or are allowed to enter. The transaction will not process until those fields are present on the transaction. The field may be an "input required (I)" field, where you must enter the information. They may also be a "required (R)", where you could either enter the information or have it looked up on a table such as the Index or PCA tables.</p> <p><u>IMPORTANT:</u> STARS has no way of determining whether you are using the correct coding. That is the responsibility of your coding and pre-process review personnel.</p> |
| RELEASE APPROVAL | <p>STARS assigns all transaction codes a certain approval level - 1 through 9. STARS requires each user to have a particular approval level to promote internal controls. This assures that only those users with appropriate approval authority can release certain types of batches. It also allows an online approval process without releasing the batch. Certain "sensitive" accounting transactions, because of their nature, require that a person with a higher authorization level must approve and release those transactions. Your agency security administrator will normally give you only the release capabilities that your job responsibilities require. If you can enter a certain transaction code, you should not be able to release that transaction code. See the Function 53, F9, R=Releasing a Batch section in the Getting Started document for more information on using the online approval process for the data entry, pre-process review, and final release of a batch.</p> |
| FINANCIAL CONTROLS | <p>Once you have released the transaction, STARS will check for financial controls during the nightly IEU (input, edit, update) processing. These are usually the controls check for balances such as cash and appropriation (67-1003) amount. STARS also checks for other budgetary controls such as allocations, grants or projects. Based on these controls, STARS can automatically identify and stop transactions that exceed the established limits. These transactions will not error until processed in the nightly IEU.</p> |

RETENTION INFORMATION

Idaho Code governs the period you should retain the source documentation in your office, that you make it available to those who require it, and the penalties of not doing so.

- [Idaho Code 67-1041 - Vouchers and Accounts Preserved](#)
- [Idaho Code 59-1010 - Officers to Keep Accounts](#)

STATE RECORDS CENTER – RECORDS MANAGEMENT GUIDE

The [Department of Administration, Purchasing and Bids, Records Center](#) provides records management services to State agencies. See their Records Management Guide for more information.